

AUDIT AND GOVERNANCE COMMITTEE

Meeting held on Wednesday, 25th March, 2026 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Bill O'Donovan (Chair)
Cllr P.J. Cullum (Vice-Chair)

Cllr C.W. Card
Cllr A.H. Crawford
Cllr Sarah Spall
Cllr P.G. Taylor
Cllr Jacqui Vosper

Apologies for absence were submitted on behalf of Cllr Sue Carter, Cllr C.P. Grattan, Cllr Ivan Whitmee and Cllr Becky Williams.

Cllr S.J. Masterson attended the meeting as a Standing Deputy.

22. MINUTES

The Minutes of the Meeting held on 28th January, 2026 were approved and signed as a correct record of proceedings.

23. INTERNAL AUDIT - AUDIT CHARTER AND AUDIT PLAN 2026/27

The Committee received the Head of Partnership's Report No. SIAP26/06, which set out the Internal Audit Charter and Internal Audit Plan for 2026/27.

The Committee heard from Neil Pitman, Southern Internal Audit Partnership (SIAP), who reported that the Internal Audit Charter and Internal Audit Plan 2026/27 were required by the Global Internal Audit Standards in UK Public Sector. The Internal Audit Charter was a formal document that included the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications. The Internal Audit Plan was a document, developed by the Chief Internal Auditor, that identified the engagements and other internal audit services anticipated to be provided during a given period.

The Internal Audit Charter was reported to the Audit and Governance Committee annually for review and approval. The proposed risk based Internal Audit Plan had been developed at a strategic level providing a value adding, and proportionate level of assurance aligned to the Council's strategic outcomes. It was based on a range of inputs including a review of the Council's strategic risk register, sector knowledge and discussions with management teams.

During discussion, Members raised questions regarding property management, Aldershot Crematorium and tree maintenance.

ACTION:

What	By Whom	When
Review the reprioritisation of the property management internal audit.	Neil Pitman - SIAP	Before the June 2026 Committee meeting.
Complete a re-analysis of the risk assessment on the Crematorium refurbishment.	Neil Pitman - SIAP	Before the June 2026 Committee meeting.
Review the risk assessment levels regarding tree maintenance.	Neil Pitman - SIAP	Before the June 2026 Committee meeting.

RESOLVED: That:

- (i) the Internal Audit Charter 2026/27 be approved; and
- (ii) the Internal Audit Plan 2026/27 be approved.

24. INTERNAL AUDIT - PROGRESS REPORT

The Committee received SIAP’s Report No. SIAP26/05, which provided an overview of internal audit activity against assurance work completed in accordance with the approved audit plan and an overview of key updates pertinent to the discharge of the Committee’s role in relation to internal audit.

The Committee noted that, regarding the Crematorium Audit, the Business Continuity Plan (BCP) had not been finalised due to the lack of formal arrangements for the potential loss of one or both cremators. However, an informal arrangement was in place with nearby crematoria, which Members agreed mitigated the risk, notably since the installation of two new cremators at Aldershot.

During discussion, a question was raised regarding the agency staff audit review. Members noted that the Senior Leadership Team had put an action plan in place and it was being dealt with urgently.

RESOLVED: That:

- (i) the Crematorium Audit management action be updated to reflect the significantly reduced risk following refurbishment of Aldershot Crematorium, including installation of two new cremators; and
- (ii) SIAP’s Report No. SIAP26/05, be noted.

25. ACCOUNTING POLICIES FOR THE YEAR

The Committee considered the Executive Head of Finance’s Report No. FIN2610, which reviewed the proposed accounting policies to be applied for the closure of the

2025/26 accounts. These were prepared in line with Chartered Institute of Public Finance Accountants (CIPFA) Code of Practice on Local Authority Accounting in the UK.

The report stated that the adoption of the policies supported timely and robust production of a high-quality set of annual accounts. In addition, the report notified Members of the nature of updated disclosures required and reviewed the internal level of materiality.

The Committee noted that an approved set of accounting policies enabled the Finance team to complete the Annual Statement of Accounts with considered rules and assumptions and provided clarity to the readers of the Accounts as to how they had been prepared.

The Committee were advised that the 2025/26 materiality figure was still being finalised, as the auditors were confirming the Council's gross expenditure position. The previous year's materiality, based on 2% of gross expenditure, was just over £2 million, and officers did not expect this to change significantly as overall expenditure has remained stable. The updated figure would be circulated to the Committee once confirmed.

During discussion, Members raised questions regarding property valuations and the potential for having an independent expert to advise on property valuations in the future.

ACTION:

What	By Whom	When
Circulate the materiality figure for 2025/26 to the Committee, once confirmed.	Finance Team	Before the June 2026 Committee meeting.

RESOLVED: That:

- (i) the Accounting Policies, including the amendment disclosed at Appendix 1 for closure of the 2025/26 account, be adopted; and
- (ii) the updated disclosures and internal level of materiality, when confirmed, be included within the Statement of Accounts for 2025/26, be noted.

26. VOTE OF THANKS

A vote of thanks was recorded by Cllr Bill O'Donovan, the Chair of the Audit and Governance Committee since April, 2025. He wished to thank Committee Members for their service to the Committee and the Council.

The meeting closed at 7.50 pm.

CLLR BILL O'DONOVAN (CHAIR)
